

JUL 12 2005



The Honorable Rod Blagojevich  
Governor of Illinois  
State Capitol  
207 Statehouse  
Springfield, Illinois 62706

Dear Governor Blagojevich:

It is with pleasure that I respond to the State of Illinois' requests for waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA). This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, subtitles B and E and Sections 8-10 of the Wagner-Peyser Act. In the Strategic State Plan for Title I of the Workforce Investment Act and the Wagner-Peyser Act for the two-year period, July 1, 2005, through June 30, 2007, the state submitted three requests for waivers. The requests are written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the state's waiver submission (copy enclosed).

Requested Waiver 1: Waiver extension to use Individual Training Accounts (ITAs) for youth participants.

The state indicates that a waiver extension would allow continued flexibility in using youth funds to provide training services to youth while retaining limited adult funds to be used on adult training services. Accordingly, the state is granted an extension of the waiver of the prohibition on the use of ITAs for older and out-of-school youth at 20 CFR 664.510 through June 30, 2007. The state should ensure that funds used for ITAs are tracked and reflected in the individual service strategies for these youth.

Requested Waiver 2: Waiver to permit use of up to 10 percent of local area formula funds in the same manner as statewide funds.

These funds will support statewide activities targeted to adults, dislocated workers and youth. With this waiver, the state seeks to further its efforts to enhance services for incumbent workers and increase their participation in mainstream workforce investment activities. Accordingly, the State of Illinois is granted a waiver of the language that limits the authority to provide the activities identified in WIA Sections 129(b) and 134 to the state. This waiver will permit local areas to request to use up to 10 percent of local area formula allocation funds

for adults, dislocated workers and youth to provide statewide employment and training activities identified at WIA Sections 129(b) and 134, through June 30, 2007.

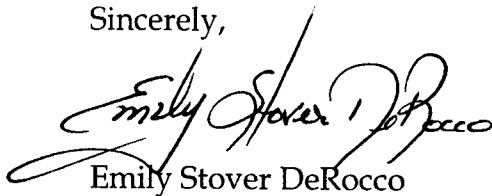
Requested Waiver 3: Waiver to co-enroll Trade Act participants in the WIA Dislocated Worker program, while excluding those workers from the calculation of WIA performance measures.

The state's request does not meet the higher standard for waiving the key WIA reform principle of increased accountability at 20 CFR 661.410(c). There is a mechanism in place to address the state's concerns without the need for a waiver. In lieu of a waiver, the state will benefit from some flexibility on the dislocated worker earnings measure through participation in the Trade Adjustment Assistance/Dislocated Worker co-enrollment pilot being sponsored by ETA. We also note that ETA is currently reviewing the earnings measure overall and will consider the state's concerns as part of this review.

As provided for under paragraph 3 of the executed Agreement, the granted waivers, which are included in the approved State Strategic Plan, are incorporated by reference into the state's WIA Grant Agreement. A copy of this letter should be filed with the state's WIA Grant Agreement and the state's Strategic Plan, as appropriate.

We look forward to continuing our partnership with you and achieving better workforce investment outcomes. We are prepared to entertain other state and local-level waiver requests that you may wish to submit, consistent with the provisions of the WIA statute and regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Emily Stover DeRocco", with a stylized flourish at the end.

Enclosure